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首程控股有限公司  
SHOUCHENG HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 697)

**THIRD QUARTERLY RESULTS  
FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2023**

This announcement is made on a voluntary basis by Shoucheng Holdings Limited (the “**Company**”) for the purpose of further increasing the level of corporate governance and enhancing its transparency.

**HIGHLIGHTS OF QUARTERLY RESULTS**

For the nine months ended 30 September 2023:

- The Group recorded revenue of approximately HK\$660 million, representing a decrease of 48.1% from the same period of last year.
- The Group recorded profit attributable to owners of the Company of HK\$465 million. The profit attributable to owners of the Company was HK\$802 million in the same period of last year.
- The basic earnings per share for the period was HK6.41 cents. The basic earnings per share for the same period of last year was HK11.28 cents.
- The diluted earnings per share for the period was HK6.37 cents. The diluted earnings per share for the same period of last year was HK11.28 cents.

**SUMMARISED INFORMATION**

The board of directors (the “**Board**”) of the Company is pleased to announce the summarised information in relation to the unaudited condensed consolidated quarterly results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2023.

## KEY FINANCIAL INFORMATION

As extracted from the unaudited condensed consolidated statement of comprehensive income	Nine months ended 30 September		Variance
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	
<b>Revenue</b>	<b>660,429</b>	1,271,359	(48.1%)
As attributed by the Group's			
(i) Revenue from FIME*	<b>209,406</b>	829,758	(74.8%)
(ii) Revenue from asset operation	<b>451,024</b>	441,601	2.1%
<b>Gross profit</b>	<b>288,305</b>	855,613	(66.3%)
<b>Operating profit</b>	<b>616,380</b>	1,087,057	(43.3%)
<b>Profit attributable to owners of the Company</b>	<b>465,353</b>	802,291	(42.0%)

\*FIME is defined as fundraising, investment, management and exit.

As extracted from the unaudited condensed consolidated statement of financial position for 30 September 2023	30 September	31 December	Variance
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Audited)	
Total assets	<b>13,808,836</b>	13,656,191	1.1%
Net assets	<b>9,906,629</b>	10,024,059	(1.2%)
Bank balances and cash	<b>2,777,865</b>	3,573,685	(22.3%)
Wealth management products and fixed income financial assets	<b>1,644,601</b>	902,840	82.2%
Asset – Liability ratio $\Delta$	<b>28.3%</b>	26.6%	+1.7%
Debt equity ratio $\Delta$	<b>10.7%</b>	10.5%	+0.2%

$\Delta$  The definitions of Asset - Liability ratio and Debt equity ratio are set out on page 3 to page 4 of this announcement.

The unaudited financial results of the Group for the nine months ended 30 September 2023 have been prepared in accordance with the same accounting policies which had been adopted in the audited financial statements of the Group for the year ended 31 December 2022.

## Non-HKFRSs Measures

The total liabilities divided by total assets is defined as the Asset – Liability ratio (the “**Asset – Liability ratio**”) of the Group.

The total borrowings divided by capital and reserves attributable to owners of the Company is defined as the debt equity ratio (the “**Debt equity ratio**”) of the Group.

The Asset – Liability ratio and Debt equity ratio used as additional financial measures to supplement the Group’s summarised information in relation to the unaudited condensed consolidated quarterly results which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Group believes that the Asset – Liability ratio and Debt equity ratio provide meaningful supplemental information regarding the Group’s performance and the core operating results, enhance the overall understanding of the Group’s past performance and future prospects and allow for greater visibility with respect to key metrics used by the Group’s management in its financial and operational decision-making. It would help the investors of the Company and others understand and evaluate the Group’s consolidated results of operations in the same manner as management and in comparing the Group’s financial results across different accounting periods.

### Asset – Liability ratio

The Asset – Liability ratio is presented because it is used by management to evaluate the Group’s debt level.

In the third quarter of 2023, the Asset – Liability ratio of the Group is 28.3%, representing an increase of absolute value of 1.7% as compared to 31 December 2022.

The following table shows the Group’s total liabilities and total assets for the periods presented:

	<b>30 September 2023 HK\$’Million (Unaudited)</b>	31 December 2022 HK\$’Million (Audited)
<b>Total liabilities</b>	<b>3,902</b>	3,632
<b>Total assets</b>	<b>13,809</b>	13,656
<b>Asset – Liability ratio</b>	<b>28.3%</b>	26.6%

## Debt equity ratio

The Debt equity ratio is presented because it is used by management to evaluate how the Group utilised its borrowings for financing the business and operations for growth.

In the third quarter of 2023, the Debt equity ratio of the Group is 10.7%, representing an increase of absolute value of 0.2% as compared to 31 December 2022.

The following table shows the Group's total borrowings and capital and reserves attributable to owners of the Company for the periods presented:

	<b>30 September 2023 <i>HK\$'Million</i> (Unaudited)</b>	31 December 2022 <i>HK\$'Million</i> (Audited)
<b>Total borrowings</b>	<b>1,046</b>	1,047
<b>Capital and reserves attributable to owners of the Company</b>	<b>9,759</b>	9,928
<b>Debt equity ratio</b>	<b>10.7%</b>	10.5%

## **BUSINESS OVERVIEW**

For the nine months ended 30 September 2023, the Group recorded revenue of approximately HK\$660 million, representing a decrease of 48.1% from the same period last year. That includes the revenue from asset operation which amounted to approximately HK\$451 million, representing an increase of 2.1% from the same period last year; as well as the revenue from FIME which amounted to approximately HK\$209 million, representing a decrease of 74.8% from the same period last year. The profit attributable to the owners of the Company for the current period amounted to approximately HK\$465 million, representing a decrease of 42.0% from the same period last year.

The decline in the Group's results was mainly attributable to the unrealized loss recorded by public offering infrastructure real estate investment trusts (“REITs”) in China measured at fair value through profit or loss under the Group's FIME business, the unrealized loss is not cash in nature and shall not have any impact on the cash flows nor the normal business operation of the Group. The public offering REITs owned by the Group in China maintains accumulated profits since its initial investment. The Group maintains abundant cash balance and stable overall financial and business operation status.

## **REMAIN OPTIMISTIC IN THE PROSPECTS OF INFRASTRUCTURE PUBLIC OFFERING REITs MARKET**

In the third quarter of 2023, the development of public offering REITs advanced steadily and the supporting policies from regulatory authorities for the public offering REITs market continuously enhanced. On the market side, REITs originators and fund managers have successively released plans to increase their holding of shares, which enhanced the liquidity of the REITs market and this plays an important role in stabilizing market confidence; on the investment side, public REITs are included in the investment scope of FOF funds, injecting potential incremental capital to the market and enriching investor structure; on the policy side, the Shanghai and Shenzhen Stock Exchanges issued a “Notice of the Work Arrangements for Optimizing the Mechanism for the Offering and Trading of Publicly Offered Real Estate Investment Trusts (REITs)” \* (“《關於優化公開募集基礎設施證券投資基金（REITs）發行交易機制有關工作安排的通告》”), regulating the public offering REITs market in various aspects ranging from offering pricing, inquiry and subscription, secondary market trading, asset evaluation behavior, and supporting policies, promoting the stable and healthy development of REITs market and boosting investor confidence. Since the third quarter of 2023, the market value of REITs held by the Group has increased as compared to the second quarter of 2023. In context with the above, the Group continued to be optimistic about the prospects of infrastructure public REITs market, continued to build an ecological loop based on REITs.

\* *For identification purpose only*

## **STEADY GROWTH IN ASSETS MANAGEMENT SCALE AND FURTHER IMPROVEMENT IN ASSET OPERATION EFFICIENCY**

In terms of assets management scale, the Group continues to invest parking resources with high turnover rate in core cities, to explore the mergers and acquisition opportunities to deploy in the market of electric vehicle (EV) such as charging and battery replacement, so as to create a second growth curve, and expand the Group's asset scale while forming a synergistic effect with the parking assets. The Group has reserved multiple EV charging asset projects in core cities, expanding asset types, and boosting asset scale. The development progress of projects such as the Guo Ji Ren Cai She Qu\* (“國際人才社區”) and Shou Cheng Shi Dai Zhong Xin\* (“首程時代中心”) invested by the Group under management funds has progressed steadily, it will further enrich the product matrix of the Group's industrial park asset and provide reserve projects for subsequent asset securitization.

In terms of operational efficiency, the Group has enhanced the level of parking asset operation and management, further promoted the standardized operation system, and completed market price adjustments for multiple projects, increased the profitability of the projects. At the same time, it has strengthened information technology construction, utilized information technology to achieve digitalization, intelligence, and automation of asset management. Through the above measures further enhances the management efficiency of assets operation and decision-making level, thereby promoting the sustainable development of the enterprise. In the field of industrial park asset, the industrial contract signing rate and business vitality of the Chang'an Mills project\* (“六工匯”項目) have been further enhanced, and it has successfully served the 2023 China International Fair for Trade in Services, which has established a good brand effect for the Group.

## **RECEIVED AN AAA ENTERPRISE RATING BY TOP AGENCIES**

The Group has received an AAA enterprise rating with a stable outlook by China Chengxin International Credit Rating Co., Ltd. and China Lianhe Credit Rating Co., Ltd. This is the recognition that the Group has once again received from top domestic rating agencies after obtaining an AAA debt rating and successfully establishing the first parking asset quasi-REIT in China, marking the opening of a channel for the Group in the bond market.

Based on the high recognition of the Group's entity credit by top domestic rating agencies in China, the Group's layout of the whole chain of infrastructure asset management business has been strongly supported and guaranteed in terms of capital scale and cost. The Group will continuously increase its asset financing capabilities on multiple asset financing platforms such as credit bonds, securitization, private equity funds, public offering REITs markets, further leveraging the dual driving effect of asset operation business, and thoroughly opening up the ecological loop of infrastructure asset management.

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## **CAUTION STATEMENT**

Although the Company is now issuing quarterly information, potential investors should be aware that due to fluctuations in market conditions, exchange rates of Renminbi against other currencies and changes in the operating environment from time to time, certain income and expenses may vary substantially from quarter to quarter. Hence, comparisons between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied upon as indicators of the Group's performance. Also, quarterly results should not be used to estimate or extrapolate to project the Group's full-year performance.

In addition, the Board wishes to remind the shareholders of the Company and potential investors that the above selected financial data is extracted from the Company's internal records and management accounts and has not been reviewed or audited by its independent auditor. The Company's shareholders and potential investors are cautioned not to unduly rely on such data. In the meantime, the Company's shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

## **APPRECIATION**

On behalf of the Board, I would like to extend our sincere thanks to our shareholders and potential investors for their trust and support to the Group. The Group will continue to enrich and innovate its own business models to enhance the FIME ( which is defined as fundraising, investment, management and exit) value and be one of the leading infrastructure assets service providers who continuously enhances the operational efficiency of infrastructure as well as becomes the pioneer of REITs in China.

By order of the Board  
**Shoucheng Holdings Limited**  
**Zhao Tianyang**  
*Chairman*

Hong Kong, 3 November 2023

*As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman) and Mr. Xu Liang as Executive Directors; Mr. Li Hao (Vice Chairman), Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Peng Jihai as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Ms. Zhuge Wenjing as Independent Non-executive Directors.*